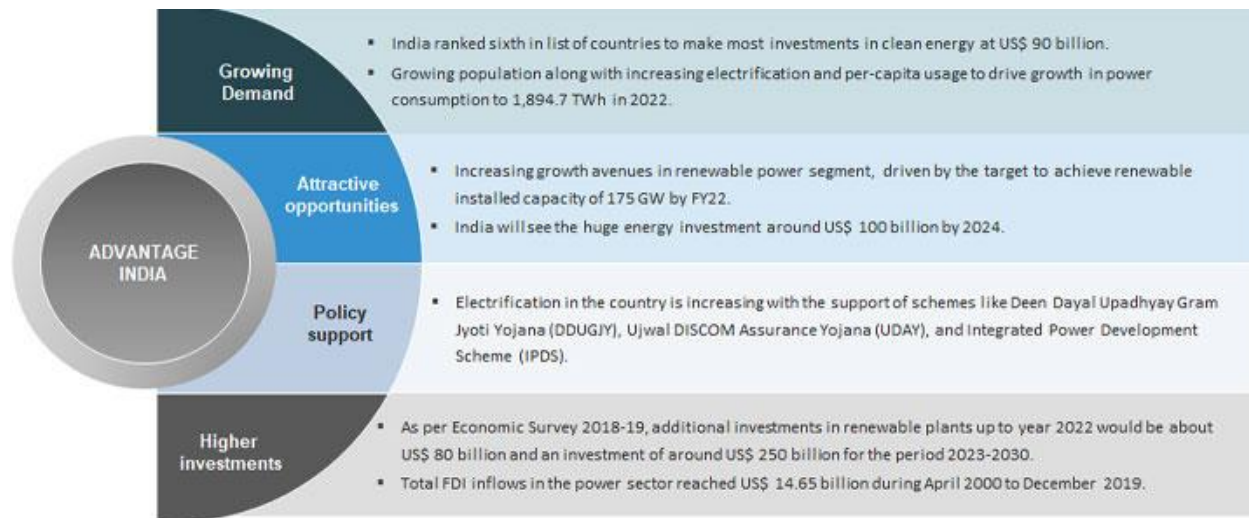


INDIA POWER & ELECTRICAL INDUSTRY - SUMMARY



Note: FDI - Foreign Direct Investment, TWh - Terawatt-Hour

By 2022, the installed power capacity in India is expected in excess of 350 gigawatts (GW) from 243 GW in 2014, due to accelerating industrialization and economic development. And the government has set a target of achieving renewable energy capacity to 175 GW by FY22.

The gross market size of electrical machinery in India is anticipated to succeed in US\$ 100 billion by 2022 from US\$ 24 billion in 2013. The electrical machinery sector consists of generation, transmission and distribution machinery. The transmission and distribution market expanded at a compound annual rate of growth (CAGR) of 6.7 per cent over FY07-13. Boilers (16 per cent), cables (15 per cent) and transmission lines and conductors (12 per cent) account for an outsized chunk of the revenue. The generation equipment market is predicted to expand at a CAGR of 12.7 per cent over FY12–22.

The exports of electrical machinery rose to US\$ 3.9 billion in FY14 from US\$ 3.4 billion in FY12. Boilers & parts and electrical wires and cables were the first drivers of the rise in exports

The Government of India has been de-licensed the electrical machinery industry and has allowed 100 per cent foreign direct investment (FDI) within the sector. It plans to line up the Electrical Equipment Skill Development Council (EESDC) which might specialize in identifying critical manufacturing skills required for the electrical machinery industry.

With many bilateral nuclear agreements in situ, India is predicted to become a serious hub for manufacturing nuclear reactors and associated components. More foreign participation within the development and financing of generation and transmission assets, engineering services, equipment supply and technology collaboration in nuclear and clean coal technologies is expected.